

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**GUARANTY FINANCIAL GROUP INC.
AND GUARANTY HOLDINGS INC. I,**

Plaintiffs,

V.

**FEDERAL DEPOSIT INSURANCE
CORPORATION, in its capacity as
Receiver for Guaranty Bank,**

Defendant.

§ § § § § § § § § § § § § § § §

CIVIL ACTION NO. 3:10-CV-00980-K

JOINT STATUS REPORT

TO THE HONORABLE UNITED STATES DISTRICT COURT:

Guaranty Financial Group Inc. and Guaranty Holdings Inc. I (the “Plaintiffs”) and the Federal Deposit Insurance Corporation, in its capacity as Receiver for Guaranty Bank (the “Defendant” or the “FDIC-Receiver,” together with the Plaintiffs, the “Parties”), submit this their Joint Status Report to the Court as directed and respectfully report as follows:

I. Factual and Procedural Background

1. Guaranty Financial Group Inc. (“GFG”) owns 100% of the common stock of Guaranty Holdings Inc. I (“GHI”). GHI serves as the holding company for GFG’s investment in Guaranty Bank. GHI owns 100% of the common stock of Guaranty Bank.

2. On August 21, 2009 (the “Receivership Date”), the Director of the Office of Thrift Supervision appointed the FDIC-Receiver as receiver for Guaranty Bank and advised that the FDIC-Receiver was to immediately take possession of Guaranty Bank (the “Receivership”). On the Receivership Date, the FDIC-Receiver entered into a Purchase and Assumption Agreement with BBVA Compass, Birmingham, Alabama (“BBVA Compass”), under which BBVA Compass purchased substantially all of the assets and assumed certain liabilities of Guaranty Bank from the FDIC-Receiver.

3. On August 27, 2009 (the “Petition Date”), the Plaintiffs and two of their affiliates (the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Title 11 of the United States Code (the “Bankruptcy Code”) in the Bankruptcy Court for the Northern District of Texas, Dallas Division. As debtors-in-possession, the Debtors continue to manage their businesses pursuant to §§ 1107 and 1008 of the Bankruptcy Code.

4. On May 14, 2010, the Plaintiffs filed their Original Complaint (the “Complaint”) against the FDIC-Receiver in the United States District Court for the Northern District of Texas (the “Litigation”). The Litigation asserts various causes of action against the FDIC-Receiver.

5. On June 22, 2010, the Parties entered into that certain Stipulation and Order Extending Time to Answer and Amend Complaint (the “Stipulation”). The Stipulation relates to the Parties’ attempt to resolve all disputes pertaining to the Litigation amicably.

6. On June 29, 2010, the Court entered an Order Granting Joint Motion to Approve Stipulation and Order Extending Time to Answer and Amend Complaint (the “Order”). Pursuant to the Order, the Litigation was stayed and the Parties were directed to file a joint status report with the Court no later than September 30, 2010 detailing the Parties’ positions in the Litigation.

II. Status Report

7. The Plaintiffs’ maintain the position advanced in the Complaint.

8. Pursuant to the Order, the Defendant’s time to answer or otherwise respond to the Complaint has been extended as set forth in the Stipulation.

9. The Parties remain engaged in negotiations in an attempt to reach a global settlement of all disputes pertaining to the Litigation. The Parties intend for these negotiations to conclude in the near future and request that no action be taken by the Court at this time.

10. The Parties agree that, unless otherwise ordered by the Court, the stay imposed by the Court in the Order shall continue until such time as the Court initiates further proceedings upon request of either party after 20 days notice to the other party.

Respectfully submitted this ^{29th} 1 day of September, 2010.

HAYNES AND BOONE, LLP

By: _____

Robert D. Albergotti
State Bar No. 00969800
Ian T. Peck
State Bar No. 24013306
Autumn D. Highsmith
State Bar No. 24048806
2323 Victory Ave., Suite 700
Dallas, Texas 75219
Telephone: (214) 651-5000
Facsimile: (214) 651-5940

Counsel for the Plaintiffs

ADORNO YOSS WHITE & WIGGINS LLP

By: 

Peter C. Lewis, Esq.
State Bar No. 12302100
Bank of America Plaza
901 Main Street, Suite 6200
Dallas, Texas 75202

and

Steven B. Soll, Esq.
Melanie Cyganowski, Esq.
Otterbourg, Steindler, Houston & Rosen, P.C.
230 Park Avenue
New York, New York 10169

Counsel for the Defendant

Respectfully submitted this 29th day of September, 2010.

HAYNES AND BOONE, LLP

By: /s/ Ian T. Peck

Robert D. Albergotti
State Bar No. 00969800
Ian T. Peck
State Bar No. 24013306
Autumn D. Highsmith
State Bar No. 24048806
2323 Victory Ave., Suite 700
Dallas, Texas 75219
Telephone: (214) 651-5000
Facsimile: (214) 651-5940

Counsel for the Plaintiffs

ADORNO YOSS WHITE & WIGGINS LLP

By: _____

Peter C. Lewis, Esq.
State Bar No. 12302100
Bank of America Plaza
901 Main Street, Suite 6200
Dallas, Texas 75202

and

Steven B. Soll, Esq.
Melanie Cyganowski, Esq.
Otterbourg, Steindler, Houston & Rosen, P.C.
230 Park Avenue
New York, New York 10169

Counsel for the Defendant

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was served upon all counsel of record via electronic mail through the Court's electronic case filing system on this 29th day of September, 2010.

/s/ Ian T. Peck
Ian T. Peck